

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1928 - HB 1849

March 8, 2014

SUMMARY OF BILL: Requires a teacher's evaluation to be based solely on student achievement data for students whom the teacher taught in the tested subject.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$42,052,400/FY14-15
\$1,315,400/FY15-16 and Subsequent Years**

Other Fiscal Impact – Based on the information provided by the Department of Education, the federal government may require the state to repay a portion of the Race to the Top grant funding that has already been drawn down; withhold future grant funding; or both. Any such impacts cannot be reasonably quantified and is dependent upon the response and action taken by the federal government.

Assumptions:

- According to the Department of Education, the state's accountability system requires that all teachers be evaluated.
- The use of school-level achievement scores and growth data would not be used for any portion of a teacher's evaluation and some principals. Based on information received from the Department of Education (DOE), school level achievement scores are used for teachers in subjects that are not part of the state's mandatory assessment system.
- According to DOE, the number of teachers not covered by mandatory state assessments is estimated to be 44,200.
- In FY14-15 students in subjects that are not within the state's mandatory assessment system will take an off-the-shelf test to procure teacher evaluation measures.
- An estimated 930,000 students will take a minimum of two tests in three subjects; for a total of six tests.
- Each test will cost \$7.50 per test. The cost of tests per student is estimated to be \$45 (7.50 x 6 tests)
- In FY14-15 the one-time increase in state expenditures for additional tests is estimated to be \$41,850,000 (930,000 x \$45).
- For FY15-16 and subsequent years, the DOE will develop alternative growth measures for teachers in subjects that are not part of the state's mandatory assessment system.

SB 1928 - HB 1849

- The DOE will hire three new employees in FY14-15 to help develop new alternative growth measures; manage the additional alternative growth measures' portfolios; provide annually training to local employees; and provide additional annual support for implementation of the alternative growth measures across the state.
- Each employee is estimated to have a salary of \$55,000 and benefits of \$12,474; a total increase in recurring state expenditures for personnel of \$202,422 $[(\$55,000 + \$12,474) \times 3]$.
- In FY14-15, the total increase in state expenditures is estimated to be \$42,052,422 $(\$41,850,000 + \$202,422)$.
- DOE estimates annual training costs will be similar to the costs for the state-wide TEAM training. Training will be done for local education agency administration and peer reviewers. The recurring increase in state expenditures for training personnel is estimated to be \$450,000 beginning in FY15-16.
- Currently, all approved alternative growth measures use a data system called GLADis. Based on information provided by DOE, the annual cost per educator for access to GLADis and to increase the vendor's customer service capacity is estimated to be \$15. The recurring increase in state expenditures for access to the GLADis system is estimated to be \$663,000 $(\$15 \times 44,200)$.
- In FY15-16 and subsequent fiscal years, the total recurring increase in state expenditures is estimated to be \$1,315,422 $(\$202,422 + \$450,000 + \$663,000)$.
- The Race to the Top grant funding and the state's federal No Child Left Behind (NCLB) waiver were received, partially on the basis of Tennessee's new teacher evaluation model. The full Race to the Top grant amount is \$501,000,000. Based on information provided by the Department of Education, the federal government may require the state to repay a portion of the grant funding that has been drawn down; withhold future grant funding; or both.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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